

225807

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**



**STB DOCKET NO. AB-167 (Sub- No. 1190X)**

**CONSOLIDATED RAIL CORPORATION – ABANDONMENT EXEMPTION –  
IN HUDSON COUNTY, NJ**

**SUPPLEMENT TO  
OFFER OF FINANCIAL ASSISTANCE**

ENTERED  
Office of Proceedings  
AUG 10 2009  
Part of  
Public Record

1. Now come Eric Strohmeier, a non-carrier, and James Riffin, a carrier<sup>1</sup> (“Offerors”), who herewith file this Supplement to the Offer of Financial Assistance the Offerors filed on August 7, 2009.

2. The portion of the Line that the Offerors offer to buy, extends from MP 2.90 to approximately MP 4.53 (to the westerly side of Chapel Avenue), a distance of approximately 1.63 miles, and from approximately MP 4.90 (on the easterly side of Linden Avenue) to MP 5.17, a distance of approximately 0.27 miles, for a total combined distance of approximately 1.90 miles. This portion of the Line was identified as Parcel ‘C’ in a letter dated July 28, 2009, from Conrail to CNJ Rail Corporation

3. For this portion of the Line, which consists of about 27.63 acres (1.9 miles = 10,032 linear feet; at 120 feet wide = 1,203,840,320 SF or approximately 27.63 acres), all the track material, bridges, and any and all other items on, appurtenant to, or associated with, the Line, including any and all interests, legal or equitable, that Consolidated Rail Corporation (“Conrail”) may have in, or which is associated with, the Line, including all licensing and any other agreements associated with the Line, the Offerors tender \$ 5.00, which is in excess of the “minimum purchase price” for Parcel ‘C,’ as stipulated in Conrail’s July 28, 2009 Letter.

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<sup>1</sup> See *CSX Transportation, Inc. – Abandonment Exemption – in Allegany County, MD*, STB Docket No. AB-55 (Sub-No. 659X) (STB served Aug. 18, 2006).

4. In a separate filing, accompanied by a Motion for Protective Order, filed on August 7, 2009, the Offerors filed with the Board a Personal Financial Statement, which will establish that the Offerors are 'financially responsible,' and that their offer to purchase the Line is *bona fide* and reasonable.

5. Under 1152.27(c)(1)(ii), an offeror must:

A. Identify the line in question, which the Offerors did in ¶ 2, *supra*.

B. Demonstrate that the offeror is financially responsible, that is, that the offeror has, or within a reasonable time will have, the financial resources to fulfill its proposed contractual obligations. As stated in ¶ 4, *supra*, the Offerors have filed with the Board a separate filing containing a Personal Financial Statement, which demonstrates that the Offerors have the financial resources to fulfill their contractual obligations.

C. Explain the disparity between the offeror's proposed purchase price, if less than the abandoning carrier's estimate, and explain how the offer of purchase is calculated. Since the Offerors' proposed purchase price is in excess of the abandoning carrier's declaration of the net liquidation value of the Line, there is no disparity to explain.

6. While an offeror must meet these criteria, an OFA need not be overly detailed. See *Illinois Central Railroad Co. – Abandonment – Between Aberdeen Junction and Kosciusko, in Holmes and Attala Counties*, STB Docket No. AB-43 (Sub-No. 163) STB served January 31, 1997.

7. The Offerors' offer is *bona fide*. Mr. Riffin is an existing carrier, and desires to extend his operations into the New Jersey area. A major local shipper, Dameo, Inc. (Dameo ships several thousand rail cars per year into the New Jersey area), desires to expand its transload facilities. The Line will be used primarily for transload / rail car storage purposes.

#### **PRICE TO BE PAID FOR THE LINE**

**8. Real Estate:** According to information provided by Conrail, the right-of-way is generally 120-feet wide. Conrail has further indicated that it only has an easement. Since Conrail only has an easement, the easement will self-extinguish if the Line is not used as a line of railroad. Board precedent has held that real estate that is subject to a reversionary interest, has no legally cognizable value in an OFA proceeding. For this reason, in Conrail's July 28, 2009 Letter to CNJ Corporation, Conrail ascribed a zero monetary value to the real estate.

**9. Track material:** Conrail has stated that all track material on the Line has been removed. Consequently, Conrail ascribed a zero monetary value for the track material.

**10.** The following additional details are provided:

**A. Offerors and representatives to whom correspondence should be sent:**

James Riffin  
1941 Greenspring Drive  
Timonium, MD 21093  
(443) 414-6210

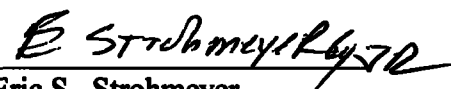
Eric Strohmeyer  
81 Century Lane  
Watchung, NJ 07069  
(908) 361-2435

**B. Operator of the Line:** James Riffin, or his designee, and Eric Strohmeyer, or his designee, will be the operator of the Line.

**C. Interchange:** The Offerors propose to interchange with CSX Transportation and / or with Norfolk Southern Railway Corporation, and / or with Conrail, at or near MP 4.25 and MP 5.17.

**D.** The Offerors certify that the projected annual revenues of the carrier to be created by this transaction, will not exceed the Class III carrier threshold, nor are they expected to exceed \$5,000,000.00.

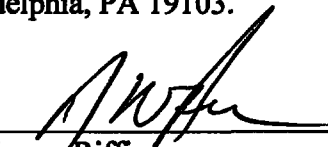
Respectfully submitted,

  
Eric S. Strohmeyer

  
James Riffin

**CERTIFICATE OF SERVICE**

I hereby certify that on this 7<sup>th</sup> day of August, 2009, a copy of the foregoing Supplement to Offer of Financial Assistance, was mailed, postage prepaid, to John K. Enright, Associate General Council, Conrail, 1717 Arch Street, Philadelphia, PA 19103.

  
James Riffin